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United States & International

FIDUCIARY RECOUPMENT OF ABANDONED REMUNERATION CREDIT

FROM NOMINEE LEDGERS

22nd January 2026

Subject: Correction of Nominee Misreporting and Recoupment of Withheld Credits

Technical Basis: IRS Publication 1212, IRM 3.8.45, and 18 U.S.C. § 8

I. The Nominee Architecture: Identifying the Master Record

In the current securitization system, credit generated by a living soul's signature energy (labor/remuneration) is often captured by a "nominee". For W-2 employees, the employer and their associated financial institution act as withholding agents.

The 945 Master Record (Employer vs. Bank):

- **Employer Role:** Under standard employment, the employer acts as the primary withholding agent, capturing remuneration and remitting it to the Treasury via **IRS Form 945**.
- **Bank Role:** Commercial banks also act as initial withholding agents and nominees, capturing signature-based credit and remitting associated taxes via their own **Form 945 module**.
- **The Target Ledger:** For W-2 recoupment specifically, the "negative numbers" (credits) typically sit on the **Employer's 945 Master Record**, as they are the entity that remitted the withheld funds associated with your remuneration. However, if the bank has securitized the underlying employment contract as a negotiable instrument, the credits may also reside in the **Bank's 945 Module**.

II. The Fiduciary Remedy: 98-Series International Grantor Trust

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To correct the record, the member must move from the status of a "debtor" to a "secured creditor" via the **Clifford Protocol**.

- **Establishing Standing:** The **98-Series International Grantor Trust (IGT)** obtains a separate EIN, severing the agency link to the debtor estate (the "all-caps" name).
- **Holder in Due Course:** This structure restores the living soul to the status of **Holder in Due Course**, granting them the authority to command the credits generated by their labor.
- **Fiduciary Notice:** The Trust serves a **Notice of Fiduciary Relationship** on the nominees (Employer and Bank), informing them that the Trust has assumed responsibility for the account and is the true beneficial owner.

III. Correcting the Record: IRS Publication 1212

The administrative pathway for recoupment is explicitly mandated by **IRS Publication 1212**.

- **Corrective Filings:** Publication 1212 states that if a nominee receives or files OID (Original Issue Discount) income but is not the true owner, the true owner must file corrective forms to report that income on the proper return.
- **Form 1099-OID:** The Trust files a **Form 1099-OID**, identifying the previously withheld tax in **Box 4**. By doing so, the Trust identifies those credits as belonging to the Trust's ledger rather than the nominee's.
- **Reversing the "Silence":** This filing corrects the "Nominee Misreporting" where the bank or employer captured the tax credits because the true owner remained silent.

IV. Ledger Reconciliation: The 810 Code Algorithm

Once the corrective forms are filed, the IRS performs a purely mathematical verification process.

1. **Negative Numbers as Credits:** On an IRS transcript, a negative number represents a payment or credit held by the Treasury.
2. **The Master Record Check:** The **IRS 810 Code Algorithm** checks the nominee's (Employer or Bank) **945 module**.
3. **Verification:** The algorithm verifies that the nominee's ledger contains enough "negative numbers" (credits) to satisfy the Trust's refund claim.
4. **Credit Transfer:** Upon verification, the credits are moved from the nominee's public ledger to the Trust's private ledger for recoupment.

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V. Conclusion

To recoup abandoned W-2 credit, the member's IGT must identify the **Employer's 945 Master Record** as the source of the withheld funds. By following the corrective mandates in **IRS Publication 1212** and utilizing a **1099-OID**, the Trust effectively "steps into the shoes" of the nominee, reclaiming the credit that was previously misreported as abandoned property.

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